

**MINUTES OF THE
GOVERNMENT OPERATIONS AND POLITICAL SUBDIVISIONS
INTERIM COMMITTEE**

Wednesday, June 23, 2010 – 2:00 p.m. – Room 30 House Building

Members

Sen. Peter C. Knudson, Senate Chair
Rep. Craig A. Frank, House Cochair
Rep. Fred Hunsaker, House Cochair
Sen. Jon J. Greiner
Sen. Benjamin M. McAdams
Sen. Ralph Okerlund
Sen. Jerry W. Stevenson
Rep. Douglas C. Aagard
Rep. Sheryl L. Allen
Rep. Ron Bigelow
Rep. Jim Bird
Rep. Rebecca Chavez-Houck
Rep. Janice M. Fisher
Rep. Keith Grover
Rep. Neal B. Hendrickson

Rep. John G. Mathis
Rep. Jennifer M. Seelig
Rep. Curt R. Webb
Rep. Larry B. Wiley

Members Absent:

Rep. Ben C. Ferry
Rep. Kerry W. Gibson

Staff Present:

Mr. Benjamin N. Christensen, Policy Analyst
Mr. Joseph Wade, Policy Analyst
Ms. Emily R. Brown, Associate General Counsel
Ms. Victoria S. Ashby, Associate General Counsel
Ms. Wendy Bangerter, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Hunsaker called the meeting to order at 2:30 p.m.

MOTION: Rep. Allen moved to approve the minutes of the May 19, 2010 meeting. The motion passed unanimously. Sen. McAdams and Rep. Chavez-Houck were absent for the vote.

2. State Building Board Construction Projects -- Division of Facilities Construction and Management (DFCM) - Update

Mr. Gregg Buxton, Director, Division of Facilities Construction and Management, gave a slide presentation reviewing the design and construction projects approved by the State Building Board. He reported on projects on the 5-year building program, the estimated cost of those projects, and how the projects are funded.

Committee discussion followed.

3. Joint State/Salt Lake City Emergency Operations Center - Preliminary Report

Mr. Jim Russell, Project Manager, Division of Facilities Construction and Management, gave a slide presentation reviewing the Division's recommendations and analysis regarding the cost effectiveness and potential operational efficiencies of a joint emergency operations center (EOC) with Salt Lake City. He distributed copies of his presentation to the committee members. He reviewed the need for a new state EOC and what is recommended to fulfill functional, seismic, and threat protection conditions. He reviewed the cost opinion summary. He explained advantages to the state of having a joint facility, as well as the disadvantages. He requested a recommendation from the Legislature.

Mr. Gary Ricks, Office of the Legislative Fiscal Analyst (LFA), expressed the concerns of the LFA office and recommended this issue be adequately addressed during the next general session.

Ms. Helen Langan, Salt Lake City Mayor's Office, stated she perceives this as a good opportunity to work with the state as the state has proved to be a strong partner on past projects. She reviewed compelling economic

benefits for joining together for this facility and stated that it is endorsed by the Salt Lake Chamber of Commerce and the Utah Taxpayers Association. She said that the city cannot delay their decision because a bond was approved and money needs to be committed to the project.

Mr. Kris Hamlet, Deputy Director, Homeland Security, Department of Public Safety, expressed the importance for the state to have a new EOC. He stated that, in polling other states regarding a joint venture of this kind, he found no others and other states expressed their concern of joining two major entities in one facility.

Mr. Hamlet said he could see some efficiencies both economically and operationally in a joint facility. The facility would not always be operational, but would not be unused, as it would be used for training during the non-emergency times. He said they are waiting for guidance from the Federal Emergency Management Agency for a location.

Sen. Greiner expressed his concern for both entities trying to utilize the one facility in a single emergency. He also expressed concern that the Committee might consider going outside the budget cycle to try to accomplish this before a general session could be held.

MOTION: Sen. Stevenson moved to continue this discussion on a future agenda.

SUBSTITUTE MOTION: Rep. Bigelow moved to ask presenters to return with additional information as requested on additional cost savings.

Following further discussion, Rep. Bigelow withdrew his substitute motion.

SUBSTITUTE MOTION: Rep. Frank moved to continue on to the next item of the agenda. He suggested that the chairs could send a letter to the Executive Appropriations Committee referring the item back to them since they have the authority to appropriate funding. The motion passed unanimously. Rep. Chavez-Houck, Rep. Grover, and Rep. Wiley were absent for the vote.

4. Status of a Law While a Local Referendum is Pending

Mr. Wade defined "local referendum." He distributed and presented a slide presentation explaining the question in the law. Should the law or ordinance that is being subject to a local referendum be in effect or not in effect while a local referendum is pending? He reviewed some considerations and noted how often it has been used.

Mr. David Hogue, former legislator, emphasized the need to protect the referendum process and also to compromise to protect the rights of both property owners and citizens.

Mr. Mike Ostermiller, Utah Property Rights Coalition representative, spoke in favor of following what is in the statute. He expressed understanding for the right of the citizen, but said it makes sense to keep the law in effect until the majority of citizens voice their feelings otherwise.

Ms. Lisa Watts Baskin, attorney and member of the Utah Constitutional Revision Commission (CRC), cited 2008 legislation. She recommended that CRC study the issue to form a neutral analysis and recommendation to bring the statute and constitution in sync with each other.

MOTION: Rep. Chavez-Houck moved to ask that the CRC study this issue. The motion passed unanimously. Sen. Knudson, Sen. McAdams, Sen. Stevenson, Rep. Frank, Rep. Bigelow, Rep. Bird, Rep. Grover, and Rep. Wiley were absent for the vote.

5. Procedures for the Withdrawal of Ballot Proposition

Ms. Brown gave a slide presentation explaining the ballot proposition withdrawal procedure and reviewed policy questions regarding the timing and process of withdrawing a proposition from a ballot.

Ms. Baskin spoke in favor of further study and discussion of this issue.

6. Public Hearing and Notice Requirements for Municipal Enterprise Fund Transfers

Chair Hunsaker explained that 2010 General Session H.B. 94, "Uniform Fiscal Procedures Act Amendments For Towns, Cities, and Counties Amendments," clarified public hearing and notice requirements for when a municipality or county allocates or transfers money from a utility enterprise fund. He also stated that certain provisions apply if the transfer is not a reasonable allocation of cost between the funds. He explained that, since the general session, the question has been raised regarding appropriate penalties and their enforcement.

Mr. Austin G. Johnson, Utah State Auditor, explained that municipalities found it easier to raise utility rates and then transfer the money from the enterprise fund to the general fund than it was to raise taxes. He stated that the problem arises when the utility users and the citizens are different bodies. Mr. Johnson also remarked that government funding should be open and disclosed. H.B. 94 clarified that any budget adjustment must go through the notice and hearing process. He said that his office is attempting to educate CPA firms through a legal compliance booklet.

Mr. Lincoln Shurtz, Legislative Coordinator, Utah League of Cities and Towns, expressed support for H.B. 94 that clarified provisions for utility fund transfers, budget amendments, and proper notice being provided to the citizens. He explained that the current penalty requires that the entity go back and provide proper notice. He stated that the league would not support the adoption of a penalty that required a monetary payment or restriction of funds.

Mr. Arie Van De Graaff, Executive Director, Utah Association of Counties, stated that, even though counties do not have utility enterprise funds, they would welcome any training that the State Auditor's Office would provide.

Mr. Gordon Miner, resident of Lehi, expressed concern that there are no penalties relating to transparency of what he referred to as "Sunshine Laws." He spoke in favor of penalties because he feels voluntary compliance does not work and because funds should not be considered "slush" money to be used wherever the leaders choose. He suggested using Missouri as a model, which assures total compliance with the law.

7. Other Items / Adjourn

Chair Hunsaker adjourned the meeting at 5:25 p.m.